



April 10, 2015

---

---

## ENGROSSED SENATE BILL No. 476

---

DIGEST OF SB 476 (Updated April 8, 2015 7:37 pm - DI 113)

**Citations Affected:** IC 6-1.1; IC 20-46.

**Synopsis:** School capital projects fund tax rates. Provides that when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016, the first step in the calculation (the previous year's maximum rate) shall be the larger of: (1) the actual maximum rate for the school corporation's capital projects fund for the previous year; or (2) the maximum rate that would have been established for the school corporation's capital project fund for the previous year if the formula used in current law to determine the maximum rate had been in effect for each calendar year after 2006. Specifies that the maximum rate calculation as added in the bill does not apply to the Vincennes Community School Corporation. Authorizes the department of local government finance (DLGF) to increase the maximum property tax levy of the New Durham Township school corporation transportation fund if the school corporation submits a petition to the DLGF requesting the increase. Specifies the increase that must be granted.

**Effective:** Upon passage; July 1, 2015.

---

---

**Head, Kenley, Raatz, Rogers, Kruse,  
Randolph**

(HOUSE SPONSOR — FRIEND)

---

---

January 14, 2015, read first time and referred to Committee on Appropriations.  
January 29, 2015, amended, reported favorably — Do Pass.  
February 5, 2015, read second time, amended, ordered engrossed.  
February 6, 2015, engrossed.  
February 9, 2015, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

March 5, 2015, read first time and referred to Committee on Ways and Means.  
April 9, 2015, amended, reported — Do Pass.

---

---

ES 476—LS 6896/DI 73





April 10, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## ENGROSSED SENATE BILL No. 476

---

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 6-1.1-18-12, AS AMENDED BY P.L.2-2014,  
2       SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 12. (a) For purposes of this section,  
4       "maximum rate" refers to the maximum:  
5               (1) property tax rate or rates; or  
6               (2) special benefits tax rate or rates;  
7       referred to in the statutes listed in subsection (d).  
8       (b) The maximum rate for taxes first due and payable after 2003 is  
9       the maximum rate that would have been determined under subsection  
10      (e) for taxes first due and payable in 2003 if subsection (e) had applied  
11      for taxes first due and payable in 2003.  
12      (c) The maximum rate must be adjusted each year to account for the  
13      change in assessed value of real property that results from:  
14               (1) an annual adjustment of the assessed value of real property  
15               under IC 6-1.1-4-4.5;  
16               (2) a general reassessment of real property under IC 6-1.1-4-4; or

ES 476—LS 6896/DI 73



- 1 (3) a reassessment under a county's reassessment plan prepared
- 2 under IC 6-1.1-4-4.2.
- 3 (d) The statutes to which subsection (a) refers are:
- 4 (1) IC 8-10-5-17;
- 5 (2) IC 8-22-3-11;
- 6 (3) IC 8-22-3-25;
- 7 (4) IC 12-29-1-1;
- 8 (5) IC 12-29-1-2;
- 9 (6) IC 12-29-1-3;
- 10 (7) IC 12-29-3-6;
- 11 (8) IC 13-21-3-12;
- 12 (9) IC 13-21-3-15;
- 13 (10) IC 14-27-6-30;
- 14 (11) IC 14-33-7-3;
- 15 (12) IC 14-33-21-5;
- 16 (13) IC 15-14-7-4;
- 17 (14) IC 15-14-9-1;
- 18 (15) IC 15-14-9-2;
- 19 (16) IC 16-20-2-18;
- 20 (17) IC 16-20-4-27;
- 21 (18) IC 16-20-7-2;
- 22 (19) IC 16-22-14;
- 23 (20) IC 16-23-1-29;
- 24 (21) IC 16-23-3-6;
- 25 (22) IC 16-23-4-2;
- 26 (23) IC 16-23-5-6;
- 27 (24) IC 16-23-7-2;
- 28 (25) IC 16-23-8-2;
- 29 (26) IC 16-23-9-2;
- 30 (27) IC 16-41-15-5;
- 31 (28) IC 16-41-33-4;
- 32 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 33 (30) IC 20-46-6-5;
- 34 (31) IC 20-49-2-10;
- 35 (32) IC 36-1-19-1;
- 36 (33) IC 23-14-66-2;
- 37 (34) IC 23-14-67-3;
- 38 (35) IC 36-7-13-4;
- 39 (36) IC 36-7-14-28;
- 40 (37) IC 36-7-15.1-16;
- 41 (38) IC 36-8-19-8.5;
- 42 (39) IC 36-9-6.1-2;



- 1 (40) IC 36-9-17.5-4;
- 2 (41) IC 36-9-27-73;
- 3 (42) IC 36-9-29-31;
- 4 (43) IC 36-9-29.1-15;
- 5 (44) IC 36-10-6-2;
- 6 (45) IC 36-10-7-7;
- 7 (46) IC 36-10-7-8;
- 8 (47) IC 36-10-7.5-19;
- 9 (48) IC 36-10-13-5;
- 10 (49) IC 36-10-13-7;
- 11 (50) IC 36-10-14-4;
- 12 (51) IC 36-12-7-7;
- 13 (52) IC 36-12-7-8;
- 14 (53) IC 36-12-12-10;
- 15 (54) a statute listed in IC 6-1.1-18.5-9.8; and
- 16 (55) any statute enacted after December 31, 2003, that:
- 17 (A) establishes a maximum rate for any part of the:
- 18 (i) property taxes; or
- 19 (ii) special benefits taxes;
- 20 imposed by a political subdivision; and
- 21 (B) does not exempt the maximum rate from the adjustment
- 22 under this section.
- 23 (e) For property tax rates imposed for property taxes first due and
- 24 payable after December 31, 2013, the new maximum rate under a
- 25 statute listed in subsection (d) is the tax rate determined under STEP
- 26 EIGHT of the following STEPS:
- 27 STEP ONE: Except as provided in subsection (g), determine the
- 28 maximum rate for the political subdivision levying a property tax
- 29 or special benefits tax under the statute for the previous calendar
- 30 year.
- 31 STEP TWO: Determine the actual percentage change (rounded to
- 32 the nearest one-hundredth percent (0.01%)) in the assessed value
- 33 of the taxable property from the previous calendar year to the year
- 34 in which the affected property taxes will be imposed.
- 35 STEP THREE: Determine the three (3) calendar years that
- 36 immediately precede the year in which the affected property taxes
- 37 will be imposed.
- 38 STEP FOUR: Compute separately, for each of the calendar years
- 39 determined in STEP THREE, the actual percentage change
- 40 (rounded to the nearest one-hundredth percent (0.01%)) in the
- 41 assessed value (before the adjustment, if any, under
- 42 IC 6-1.1-4-4.5) of the taxable property from the preceding year.



STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The STEP FIVE result.

STEP SEVEN: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP SIX percentage, if any.

STEP EIGHT: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SEVEN percentage, if any.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:

(1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.

(2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate allowed under subsection (e) for the Vincennes Community School Corporation with respect to property taxes first due and payable in 2014. The subsection (e) STEP ONE result for the school corporation's capital projects fund is nineteen and forty-two hundredths cents (\$0.1942).

**(i) This subsection does not apply when calculating the maximum rate for the Vincennes Community School Corporation. This subsection applies only when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016. The subsection (e) STEP ONE result for purposes of the calculation of that maximum rate is the greater of the following:**

**(1) The actual maximum rate established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015.**

**(2) The maximum rate that would have been established for**



1        **the school corporation's capital projects fund for property**  
 2        **taxes first due and payable in calendar year 2015 if the**  
 3        **formula specified in subsection (e) had been in effect for the**  
 4        **determination of maximum rates for each calendar year after**  
 5        **2006.**

6        SECTION 2. IC 20-46-4-6, AS AMENDED BY P.L.137-2012,  
 7        SECTION 113, IS AMENDED TO READ AS FOLLOWS  
 8        [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The levy imposed for an  
 9        assessment date before January 16, 2011, may not exceed the  
 10       maximum permissible levy permitted under this section as this section  
 11       was effective on January 1, 2011.

12       (b) Except as provided in **section 6.3 of this chapter and**  
 13       subsection (c), the levy imposed for an assessment date after January  
 14       15, 2011, may not exceed the amount determined by multiplying:

15       (1) the school corporation's maximum permissible levy for the  
 16       fund for the previous year under this chapter, after eliminating the  
 17       effects of temporary excessive levy appeals and any other  
 18       temporary adjustments made to the levy for the calendar year  
 19       (regardless of whether the school corporation imposed the entire  
 20       amount of the maximum permissible levy in the immediately  
 21       preceding year); by

22       (2) the assessed value growth quotient determined under  
 23       IC 6-1.1-18.5-2.

24       (c) This subsection applies to a school corporation if the school  
 25       corporation's maximum permissible levy for the fund for calendar year  
 26       2009 was at least twenty-four percent (24%) less than the school  
 27       corporation's maximum permissible levy for the fund for calendar year  
 28       2008. For the purposes of determining the school corporation's  
 29       maximum permissible levy for the fund for calendar year 2013, the  
 30       amount determined under this subsection shall be used under  
 31       subsection (b)(1) as the school corporation's maximum permissible  
 32       levy for the fund for the previous year. The school corporation shall be  
 33       treated as having a maximum permissible levy for the fund in calendar  
 34       year 2012 that is equal to the maximum permissible levy for the fund  
 35       that the school corporation would have had in calendar year 2012 if:

36       (1) the school corporation's maximum permissible levy is  
 37       recalculated for calendar year 2009 to eliminate any loss in the  
 38       school corporation's maximum permissible levy for the fund; and  
 39       (2) the school corporation is treated as having levied the entire  
 40       amount of the school corporation's recalculated maximum  
 41       permissible levy for the fund in 2009, 2010, and 2011;

42       as determined by the department of local government finance. The



1 adjustment under this subsection is a permanent adjustment in the  
2 school corporation's maximum permissible levy for the fund.

3 SECTION 3. IC 20-46-4-6.3 IS ADDED TO THE INDIANA CODE  
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
5 1, 2015]: **Sec. 6.3. (a) This section applies to the New Durham  
6 Township school corporation in LaPorte County.**

7 **(b) The superintendent of the New Durham Township school**  
8 **corporation may, after approval by the governing body of the**  
9 **school corporation, submit a petition to the department of local**  
10 **government finance requesting an increase in the maximum**  
11 **permissible ad valorem property tax levy for the school**  
12 **corporation's transportation fund.**

13 **(c) If the superintendent of the school corporation submits a**  
14 **petition under subsection (b), the department of local government**  
15 **finance shall increase the maximum permissible ad valorem**  
16 **property tax levy for the school corporation's transportation fund**  
17 **for property taxes first due and payable after December 31, 2015,**  
18 **by the amount necessary to make the maximum permissible ad**  
19 **valorem property tax levy for the school corporation's**  
20 **transportation fund equal to the maximum permissible ad valorem**  
21 **property tax levy that would have applied to the school**  
22 **corporation's transportation fund under section 6 of this chapter**  
23 **for property taxes first due and payable after December 31, 2015,**  
24 **if in each year, beginning in 2003 and ending in 2015, the school**  
25 **corporation had imposed the maximum permissible ad valorem**  
26 **property tax levy for the school corporation's transportation fund**  
27 **in each of those years (regardless of whether the school**  
28 **corporation did impose the entire amount of the maximum**  
29 **permissible ad valorem property tax levy for the school**  
30 **corporation's transportation fund).**

31 SECTION 4. An emergency is declared for this act.





## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 476, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18-12, AS AMENDED BY P.L.2-2014, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;
- (2) a general reassessment of real property under IC 6-1.1-4-4; or
- (3) a reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;

**ES 476—LS 6896/DI 73**



- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;
- (33) IC 23-14-66-2;
- (34) IC 23-14-67-3;
- (35) IC 36-7-13-4;
- (36) IC 36-7-14-28;
- (37) IC 36-7-15.1-16;
- (38) IC 36-8-19-8.5;
- (39) IC 36-9-6.1-2;
- (40) IC 36-9-17.5-4;
- (41) IC 36-9-27-73;
- (42) IC 36-9-29-31;
- (43) IC 36-9-29.1-15;
- (44) IC 36-10-6-2;
- (45) IC 36-10-7-7;
- (46) IC 36-10-7-8;
- (47) IC 36-10-7.5-19;
- (48) IC 36-10-13-5;
- (49) IC 36-10-13-7;
- (50) IC 36-10-14-4;
- (51) IC 36-12-7-7;
- (52) IC 36-12-7-8;
- (53) IC 36-12-12-10;
- (54) a statute listed in IC 6-1.1-18.5-9.8; and
- (55) any statute enacted after December 31, 2003, that:
  - (A) establishes a maximum rate for any part of the:
    - (i) property taxes; or
    - (ii) special benefits taxes;



imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

(e) For property tax rates imposed for property taxes first due and payable after December 31, 2013, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP EIGHT of the following STEPS:

STEP ONE: Except as provided in subsection (g), determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the previous calendar year.

STEP TWO: Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the previous calendar year to the year in which the affected property taxes will be imposed.

STEP THREE: Determine the three (3) calendar years that immediately precede the year in which the affected property taxes will be imposed.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The STEP FIVE result.

STEP SEVEN: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP SIX percentage, if any.

STEP EIGHT: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SEVEN percentage, if any.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:



(1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.

(2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate allowed under subsection (e) for the Vincennes Community School Corporation with respect to property taxes first due and payable in 2014. The subsection (e) STEP ONE result for the school corporation's capital projects fund is nineteen and forty-two hundredths cents (\$0.1942).

**(i) This subsection applies only when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016. The subsection (e) STEP ONE result for purposes of the calculation of that maximum rate is the greater of the following:**

**(1) The actual maximum rate established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015.**

**(2) The maximum rate that would have been established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015 if the formula specified in subsection (e) had been in effect for the determination of maximum rates for each calendar year after 2006."**

Page 2, delete lines 1 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 476 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.



## SENATE MOTION

Madam President: I move that Senate Bill 476 be amended to read as follows:

Page 4, line 32, after "(i)" insert **"This subsection does not apply when calculating the maximum rate for the Vincennes Community School Corporation."**

(Reference is to SB 476 as printed January 30, 2015.)

HEAD

---

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 476, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 20-46-4-6, AS AMENDED BY P.L.137-2012, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The levy imposed for an assessment date before January 16, 2011, may not exceed the maximum permissible levy permitted under this section as this section was effective on January 1, 2011.

(b) Except as provided in **section 6.3 of this chapter and subsection (c)**, the levy imposed for an assessment date after January 15, 2011, may not exceed the amount determined by multiplying:

(1) the school corporation's maximum permissible levy for the fund for the previous year under this chapter, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in the immediately preceding year); by

(2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(c) This subsection applies to a school corporation if the school corporation's maximum permissible levy for the fund for calendar year 2009 was at least twenty-four percent (24%) less than the school corporation's maximum permissible levy for the fund for calendar year 2008. For the purposes of determining the school corporation's

ES 476—LS 6896/DI 73



maximum permissible levy for the fund for calendar year 2013, the amount determined under this subsection shall be used under subsection (b)(1) as the school corporation's maximum permissible levy for the fund for the previous year. The school corporation shall be treated as having a maximum permissible levy for the fund in calendar year 2012 that is equal to the maximum permissible levy for the fund that the school corporation would have had in calendar year 2012 if:

- (1) the school corporation's maximum permissible levy is recalculated for calendar year 2009 to eliminate any loss in the school corporation's maximum permissible levy for the fund; and
- (2) the school corporation is treated as having levied the entire amount of the school corporation's recalculated maximum permissible levy for the fund in 2009, 2010, and 2011;

as determined by the department of local government finance. The adjustment under this subsection is a permanent adjustment in the school corporation's maximum permissible levy for the fund.

SECTION 3. IC 20-46-4-6.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 6.3. (a) This section applies to the New Durham Township school corporation in LaPorte County.**

**(b) The superintendent of the New Durham Township school corporation may, after approval by the governing body of the school corporation, submit a petition to the department of local government finance requesting an increase in the maximum permissible ad valorem property tax levy for the school corporation's transportation fund.**

**(c) If the superintendent of the school corporation submits a petition under subsection (b), the department of local government finance shall increase the maximum permissible ad valorem property tax levy for the school corporation's transportation fund for property taxes first due and payable after December 31, 2015, by the amount necessary to make the maximum permissible ad valorem property tax levy for the school corporation's transportation fund equal to the maximum permissible ad valorem property tax levy that would have applied to the school corporation's transportation fund under section 6 of this chapter for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the school corporation had imposed the maximum permissible ad valorem property tax levy for the school corporation's transportation fund in each of those years (regardless of whether the school corporation did impose the entire amount of the maximum**



**permissible ad valorem property tax levy for the school corporation's transportation fund).".**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 476 as reprinted February 6, 2015.)

BROWN T

Committee Vote: yeas 23, nays 0.

